

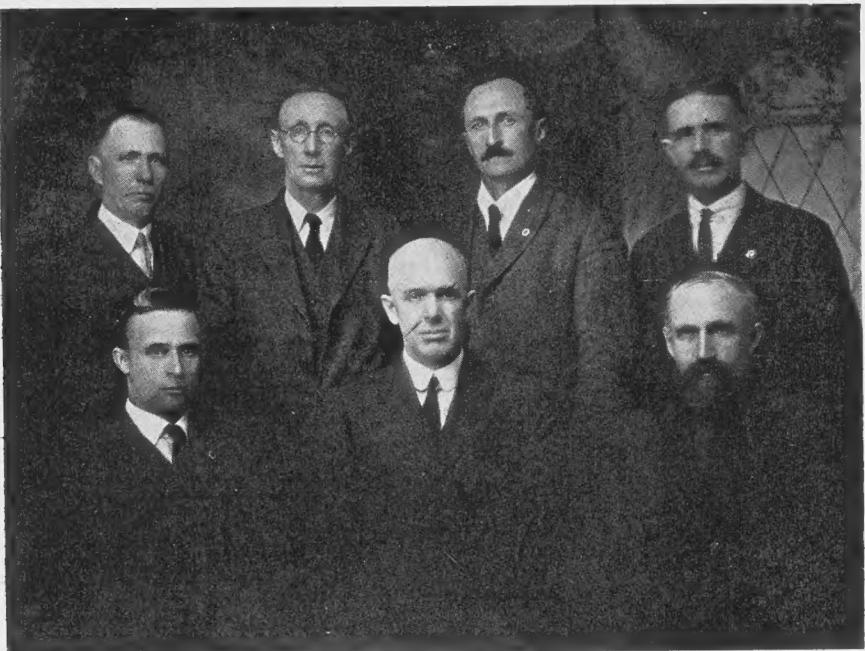
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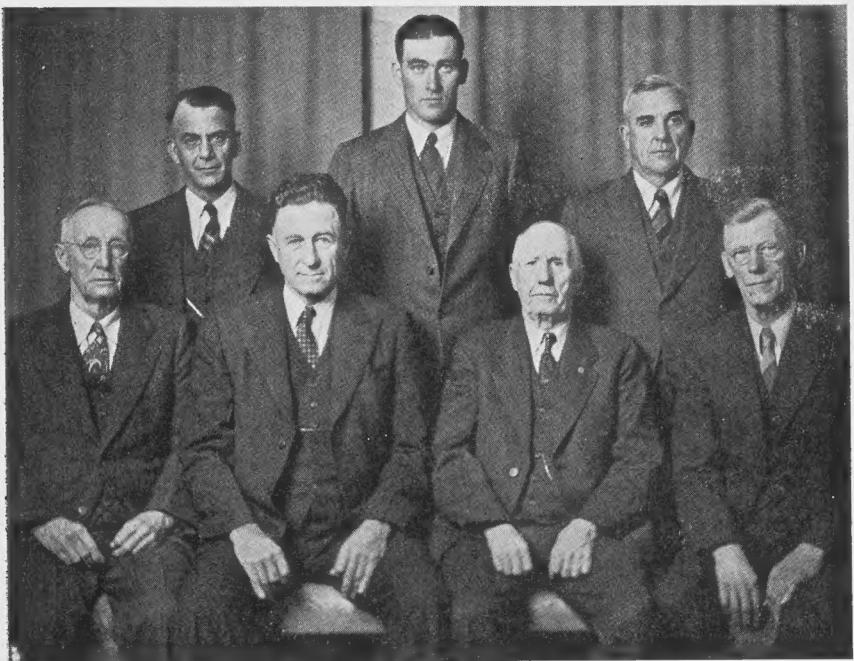
ALBERTA WHEAT POOL
Calgary, Canada
October 29, 1944

PROVISIONAL BOARD OF DIRECTORS — 1923



C. Jensen Lew Hutchinson S. Lunn C. W. Robinson
W. J. Jackman H. W. Wood Hans Lausen

ALBERTA WHEAT POOL DIRECTORS — 1944



E. H. Keith G. L. Harrold W. J. Blair
Lew Hutchinson Ben S. Plumer, Chairman C. Jensen G. G. Coote

JT was on October 29th, 1923, that the Alberta Wheat Pool opened a modest office in the Lougheed Building, Calgary, thereby inaugurating a great farm co-operative movement which was to spread across the prairie provinces of Canada. As the Alberta Wheat Pool celebrates its twenty-first birthday this year the members, delegates, directors, officials and employees rejoice in the fact that the wheat pool movement in Canada, which started so modestly twenty-one years ago, has become the greatest farm co-operative association in the world today. Now the wheat pools of Manitoba, Saskatchewan and Alberta own elevator facilities with a combined capacity of nearly one hundred and sixty-two million bushels. In the 1943-44 crop year these three pool organizations handled through their elevator systems a total volume of 218 million bushels of grain, or approximately forty per cent of the total farm deliveries in the three prairie provinces. The wheat pool movement in western Canada has gained the confidence of western agriculture through adherence to basic co-operative principles, aggressiveness on behalf of the farmers and its dynamic, forward-looking policies.



BACKGROUND OF FARM CO-OPERATION

The background of the wheat pool movement goes back to the turn of the century. In 1899 the federal government appointed a Royal Commission to investigate the grain trade of western Canada, which up to then had been a monopoly. Farmers could not even load their grain into railway cars from loading platforms and were obliged to take the price, grade and dockage grain companies offered in their elevators. The report of the commission held that the farmers' stand was justifiable. The result was the passage of the Manitoba Grain Act of 1900 which gave farmers the right to load their grain into railway cars and provided that the cars should be distributed fairly.

While the farmers had won a victory they found it almost impossible to enforce the rulings of the legislation, consequently they organized their own co-operative elevator associations, one in each prairie province. Steps were taken in 1915 to amalgamate the three farmer grain co-operatives, which finally resulted in the union of the

Alberta Farmers Co-operative Elevator Company and the Grain Growers' Grain Company in 1917 under the name of the United Grain Growers Limited. The Saskatchewan Co-operative Elevator Company continued to operate independently.

GRAIN MARKETING IN WORLD WAR I

During World War I the government of Canada took a hand in grain marketing. A board of grain supervisors was appointed on June 11, 1917, for the purpose of regulating the price of Canadian grain with a view to preventing any undue inflation or depreciation of value by speculation. The board was given the power to fix a uniform price throughout Canada for grain of the same kind, quality and grade. In fact it was a thorough-going system of government marketing of wheat. The price of wheat for the 1917 crop was set at \$2.21 a bushel. In 1918 the wheat crop was handled on the basis of \$2.24 a bushel for No. 1 Northern at Fort William.

When the war ended there was a strong current of public opinion in favor of the continuance of government control. The governments of European nations had continued to dominate the wheat trade and the United States government had set a fixed price of \$2.26 a bushel for wheat. The Canadian Wheat Board was organized in July, 1919, and was instructed to sell the Canadian crop of that year at a price that would bring the greatest possible benefit to the Dominion as a whole. The initial advance to the grower set by the board was \$2.15 a bushel, basis 1 Northern at Fort William. In addition to this, negotiable participation certificates were issued by the board which entitled the holder to a pro rata share in the cash balance remaining in the hands of the board after the crop was marketed. These certificates were finally redeemed on the basis of 48 cents a bushel consisting of a 30c interim payment and an 18c final payment. This brought the total price received by farmers up to \$2.63 a bushel for 1 Northern at Fort William for the 1919 crop.

The Canadian Wheat Board ceased to accept wheat on August 16, 1920, and open trading on the Winnipeg Grain Exchange was again in operation. A precipitous drop in prices aroused an agitation among the grain producers for the reorganization of the wheat board. The law officers of the federal government expressed the opinion that the creation of such a body was beyond the powers of that government. The federal parliament, however, did pass a law providing for a national wheat marketing agency which was to go into effect after the provinces enacted legislation to endow the board with the requisite powers to make its operation effective. This enabling legislation was passed by the governments of Alberta and Saskatchewan in 1922. Manitoba's legislature rejected the proposal and that plan fell through.



BEN S. PLUMER

WHEAT POOLS STARTED OPERATION

The United Farmers of Alberta was then at the peak of its power and vigor. It was led by the late Henry Wise Wood, then in his sixty-fourth year, and one of Canada's outstanding farm leaders.



In July, 1923, the U.F.A. appointed a committee consisting of Stephen Lunn, W. J. Jackman and A. R. Brown to proceed with the organization of a wheat pool. Two Alberta daily newspapers, the Calgary Herald and the Edmonton Journal, brought to this province Aaron Sapiro, a California lawyer who had been instrumental in establishing pools for the sale of farm products in the United States. Mr. Sapiro held meetings throughout the province and aroused great interest and enthusiasm among the population, both rural and urban. Mr. Wood moved his powerful farm organization in behind the effort

HENRY WISE WOOD and in the early part of August, 1923, a committee representing the U.F.A., the unorganized farmer, the press, the provincial government, the banks and other business interests, proceeded with the preliminary work of organizing the Alberta Wheat Pool. A drive for membership started on August 20, 1923. The objective set was fifty per cent of the 1922 acreage under wheat. Contract signers obligated themselves to deliver all the wheat they produced to the pool. By September 5th the pool was only 5 per cent short of the objective.

The Alberta Wheat Pool started on October 29th with a provisional board of directors composed of H. W. Wood of Carstairs; C. Jensen, Magrath; Lew Hutchinson, Duhamel; Stephen Lunn of Pineher Creek; C. W. Robinson, Munson; H. Lausen, Carseland and W. J. Jackman, Clover Bar, secretary. That board continued in office until a meeting of delegates was held on Nov. 14th, 1923, when the following board was elected: H. W. Wood, chairman, Lew Hutchinson, C. Jensen, O. L. McPherson, R. N. Mangles, W. J. Jackman and Ben S. Plumer.

The campaign for the wheat pool in Saskatchewan was started on August 29th, 1923. The Saskatchewan contract, unlike the one used in Alberta, specifically stated that if fifty per cent of the 1922 acreage was not signed up by September 12th, 1923, the contract would be null and void. The time allowed was too short as when September 12th arrived the objective had not been reached. However, waivers were secured to extend the date for reaching the objective which was finally accomplished in the summer of 1924. The United Farmers of Manitoba postponed their drive until 1924.

ALBERTA WHEAT POOL HISTORICAL DATA

Late in September, 1923, steps were taken to put the Alberta Wheat Pool in operation. Line elevator companies signed contracts, similar to the one used by the wheat board in 1919-20, to handle pool wheat. The Canadian Bankers' Association agreed to advance the pool a line of credit for \$15 million at 6½ per cent interest on the security of terminal and warehouse receipts. On the 29th day of October, 1923, the Alberta Wheat Pool opened offices in the Lougheed Building, Calgary. A few modest rooms provided accommodation for the first manager, the late Chester M. Elliott, the accountant T. R. Humphries (still in service) and a small group of stenographers, clerks and bookkeepers. The first signer of a wheat pool contract in Canada was J. E. Gustus, now deceased, who farmed at Yankee Valley, 25 miles north-east of Calgary. The first member to deliver wheat to the Alberta Wheat Pool was the late John Martin of Dalroy. The initial payment for the 1923 pool wheat was 75 cents a bushel, basis 1 Northern at the terminal. Although faced with many difficulties pioneering in a new field, the Alberta Pool carried its first year's operations to a successful conclusion by marketing over 34 million bushels of wheat at a cost of one-half cent a bushel and returned a net price to its members of \$1.01, basis 1 Northern at Fort William.



J. E. GUSTUS
was the first signer of a wheat pool contract in Canada.

Henry Wise Wood was chosen as the first chairman of the board of directors of the Alberta Wheat Pool and continued in that office until 1936. Lew Hutchinson of Duhamel was chairman from 1936 until 1941. George Bennett of Manville was chairman during 1942 and 1943. Ben S. Plumer of Bassano was elected chairman in 1943. R. D. Purdy was appointed manager in 1925 succeeding C. M. Elliott, deceased.

WHEAT POOL OPERATIONS

In 1924 wheat pools were organized in Manitoba and Saskatchewan and the three pools united to set up a central selling agency under the name of Canadian Co-operative Wheat Producers Limited, of which A. J. McPhail of Saskatchewan was the first president. The purpose of the agency was to sell the grain collected by the provincial pools. While the services of the Winnipeg Grain Exchange were utilized to some extent, the Canadian Wheat Pool set up agencies in Europe and elsewhere and sought to make direct sales to customers. Its selling policy was based on orderly marketing, much the same as the policies of the present wheat board during the war years.

The main idea behind the wheat pool movement was to give the farmers collective bargaining power.



R. D. PURDY
was appointed manager of the Alberta Wheat Pool in 1925.

ing power. Selling as individuals in a high organized business world, farmers are helpless. In the construction of the pool elevator systems the objective was operation for service. Private or joint stock companies are operated for the benefit of individual investors. Co-operative associations are operated primarily for the benefit of those who patronize them.



A. J. MCPHAIL
to pool members.

From the time they were organized up until the depression began in the autumn of 1929, the three wheat pools of Manitoba, Saskatchewan and Alberta enjoyed increasing support and accomplished remarkable success. From 1923 to 1930, over a billion bushels of grain was disposed of and net proceeds totalling \$1,300,000,000 distributed

TROUBLE IN DEPRESSION YEARS

The stock market crash in New York in October, 1929, ushered in the great depression which caused heavy financial losses everywhere in the world. Great business institutions which had been established for scores of years, and even centuries, collapsed. The wheat pools suffered heavily. They had made an initial payment of a dollar a bushel on deliveries from the 1929 crop. As wheat prices fell lower and lower, the initial payment figure was dropped until it finally reached fifty cents. The federal government then stepped in and an arrangement was made with the pools and banks to place the 1930 pool wheat, together with the carry-over from 1929, in the hands of a re-organized central selling agency under the management of John I. McFarland. Mr. McFarland continued in office until the autumn of 1935. When his operations were finally wound up a profit of \$9,500,000 was realized.

The pools maintained that price was a paramount matter to the grain producers and some effort should be made to protect the western farmers in that respect. At the time, that attitude was generally ridiculed and condemned, particularly by the grain trade, but in the years that have passed since then almost every government of every important country in the world has taken effective steps to see that price protection was given domestic wheat producers. In 1929 and 1930 the wheat pools of Canada undertook that responsibility, which more properly should have been assumed by the federal government. In so doing, the pools sustained heavy financial losses (\$24 millions) but retained the respect and loyalty of the great majority of their members.

WHEAT BOARD FORMED IN 1935

Following 1930 the pools commenced an agitation for the formation of a wheat board. They claimed that only such a board would have the strength to provide a reasonable measure of price protection for the farmers. Of all the commercial grain organizations, the wheat pools stood alone in that attitude until the Bennett government in 1935 set up the present federal grain board organization. Since then the operations of the wheat board have met with widespread approval.

There was nothing wrong with the wheat pooling idea. The present Canadian Wheat Board is following principles laid down by the wheat pools when they were pooling grain. The present chairman of the board, George McIvor, is a former sales manager of the Canadian Wheat Pool and another member, D. A. Kane, was formerly general manager of Manitoba Pool Elevators. The wheat board comptroller is R. C. Findlay, another ex-pool employee, and many other former pool employees are now in the service of the board.

The operations of the wheat board during the war years have been of exceptional benefit to the grain producers of western Canada. It saved the farmers when the speculative system of marketing broke down completely. The board has carried in store enormous quantities of grain from year to year, marketed its supplies efficiently as the demand arose and provided grain producers with a measure of protection that could not be obtained under any other marketing system. At the same time the stored surplus has proven an invaluable food reserve for the United Nations. While grain prices during the early part of the war were at an unsatisfactorily low level, the wheat board method of operation resulted in a substantial sum of money being distributed to the farmers when price levels rose moderately in 1943.



ALBERTA POOL DELEGATES MEETING — 1925

POOLS CONTRIBUTION TO WESTERN AGRICULTURE

Looking back over twenty-one years of Alberta Pool history, it is apparent that the organization, along with its sister pools in Manitoba and Saskatchewan, has made a real contribution to western Canadian agriculture. Tangible benefits for the farmers have been obtained through the narrowing of spreads and the lowering of handling charges, increases in the prices of grain and added protection given to grain producers through amendments to the Canada Grain Act, initiated by the wheat pools.

These pools have also taken an active part in improving agricultural practices, good seed, etc. The junior wheat clubs, sponsored in Alberta by the Alberta Wheat Pool in co-operation with the provincial and federal departments of agriculture, have, according to technical agriculturists, had the greatest influence of any undertaking in improving the seed sown by Alberta farmers. Girls garden clubs were also sponsored. Pools in other provinces conducted similar efforts and have as a deliberate policy kept close to the furrows.

The wheat pools have re-established themselves financially, re-introduced the payment of patronage dividends and shown to the world that a large group of farmers (there are over 200,000 members of the three pools) can successfully operate gigantic business enterprises.

CONCLUSION

There are some things that are too big to be put into books, or to cramp into films, or to imprison on the stage, or even to send as a message over the air. There are some movements of humanity which years of study reveal only in part. One of these is the co-operative movement. Commencing as a tiny trickle in England one hundred years ago, this movement has spread over the entire world. Through its essential virtue it gained ground even during the hardest years of the depression.

The common people of the world are looking to the formation of a new order or society in the post-war years. Perhaps that new order is being born quietly in the co-operative movement and through



effort and experiment it may replace the individualistic competition upon which the business world has relied in the past. The co-operative movement is based on the seven principles of justice, democracy, equity, economy, efficiency, liberty and unity. A movement built on those principles may be slow in developing but it is bound to be lasting, and it is certain to prevail in human society sooner or later.

INFORMATION ABOUT THE ALBERTA WHEAT POOL

The first Alberta Wheat Pool Elevators were built in 1925. As the end of the 1943-44 season the Alberta Wheat Pool owned 434 elevators at 419 points in the Province of Alberta as well as elevators at two points in the Province of British Columbia.

The total capacity of Alberta Pool owned grain facilities is 40,684,750 bushels.

In the nineteen years since the Alberta Pool Elevators commenced operations its country elevators have handled a total of 613,308,142 bushels of grain.

The Pool organization since its inception in 1923 has handled a combined total of 830,173,595 bushels through pooling and elevator operations. The gross value of all grain handled was over \$700,000,000.

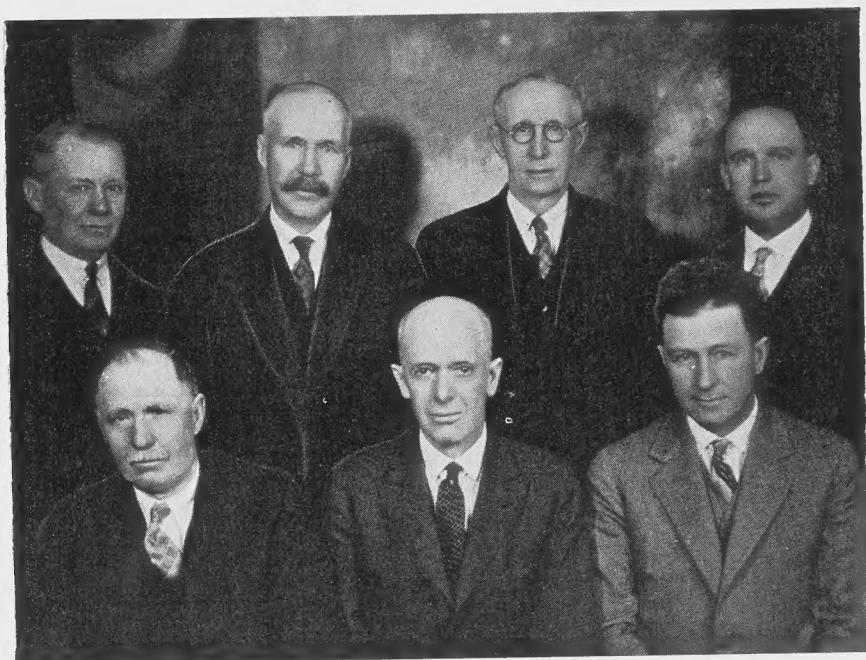
\$2,930,243.62 has been distributed as patronage dividends to patrons of the Pool Country Elevators.

Since 1931 the Alberta Wheat Pool has paid to the Province of Alberta the sum of \$2,719,000.00 in principal payments and \$2,979,237.50 in interest to apply on the debt incurred through the loss sustained in the 1929 Pool overpayment.

Since that date, also, the net liquid assets or working capital has been improved to the extent of \$3,874,474.99 and the reserve holders equity increased from \$3,647,799.50 to \$7,690,972.72.

Board of directors, Alberta Wheat Pool, 1944: Ben. S. Plumer, chairman, E. H. Keith, Sexsmith; C. Jensen, Magrath; Lew Hutchinson, Duhamel; G. G. Coote, Nanton; W. J. Blair, Naco; G. L. Harrold, Lamont.

ALBERTA WHEAT POOL DIRECTORS — 1928



R. A. Macpherson George Bennett Lew Hutchinson Jesse Strang
C. Jensen H. W. Wood Ben S. Plumer

